

**IOWA RACING & GAMING COMMISSION  
MINUTES  
JUNE 5, 2008**

The Iowa Racing & Gaming Commission (IRGC) met on Thursday, June 5, 2008 at Wild Rose Emmetsburg, Emmetsburg, Iowa. Commission members present were: Kate Cutler, Chair, and members Diane Hamilton, Greg Seyfer and Toni Urban. The Commission is short one member at this time.

Chair Cutler called the meeting to order at 8:00 AM and requested a motion to approve the agenda. Commissioner Seyfer moved to approve the agenda as presented. Commissioner Hamilton seconded the motion, which carried unanimously.

Chair Cutler requested a motion to go into Executive Session pursuant to Iowa Code Section 21.5(1)g for the purpose of receiving Division of Criminal Investigation (DCI) background reports. Commissioner Hamilton so moved. Commissioner Seyfer seconded the motion. The motion carried unanimously on a roll call vote. (See Order 08-51)

Following Executive Session, Chair Cutler called on Tom Timmons, Vice President of Operations for Wild Rose Entertainment, Inc., who welcomed the Commission to Emmetsburg on behalf of Wild Rose Emmetsburg Casino (WRE), where the motto is "Small Town Friendly, Big City Fun!" Mr. Timmons turned the floor over to Mayor John Schad who thanked the Commission for granting a license to Emmetsburg. He stated that since the facility opened, approximately \$2 million per month is spent in the town and county; Palo Alto County Gaming Development Corp. (PACGDC) has distributed approximately \$2.5 million to various organizations in the area, and Emmetsburg has received over \$800,000 either directly from the casino or through PACGDC. Mayor Schad stated that Emmetsburg is on the fast track, and is a growing, thriving community. He stated that Wild Rose has made Emmetsburg a destination city, and they have experienced an upswing in the hotel/motel taxes due to increased tourism in the area. Mayor Schad listed the many community/county organizations and attractions that have received funds received from PACGDC.

Bill Lapczenski, President of PACGDC, introduced the Board members in attendance. During the licensing process, Emmetsburg kept in mind the goal of keeping Iowans in Iowa while attracting individuals from outside the state to travel to the area to spend their entertainment dollars. He stated that the county and communities are starting to see the positive impact of the funds received from PACGDC. They are excited about the future and look forward to the challenges that lie ahead.

Chair Cutler moved to approval of the minutes. Commissioner Urban moved to approve the minutes from the April 17, 2008 Commission meeting as submitted. Commissioner Hamilton seconded the motion, which carried unanimously.

Chair Cutler called on Jack Ketterer, IRGC Administrator, for announcements. Mr. Ketterer provided the following information regarding future Commission meetings:

- July 17, 2008 Commission Meeting – Stoney Creek Inn, Johnston, Iowa (Submissions due by July 2, 2008)
- August 28, 2008 Commission Meeting – Riverside Casino & Golf Resort, Riverside, IA (Submissions due by August 14, 2008)
- October 9, 2008 Commission Meeting – Catfish Bend Casino, Burlington, IA (Submissions due by September 25, 2008)

Mr. Ketterer recognized Tammy Hoffman and Brenda Steffens, the Commission's Gaming Representative and Licensing Assistant respectively, at the facility. He then recognized former Senator Berl Priebe, one of the Senators responsible for spear-heading the passage of the pari-mutuel legislation in 1983. He served in the Senate for 28 years.

Chair Cutler moved to the rules submitted for Final Adoption, and called on Mr. Ketterer for comments. Mr. Ketterer advised these rules were submitted under Notice of Intended Action at the March meeting. He stated the only change was to the automatic disqualifier which previously was a theft greater than \$100 in the last five years. Following some research as to rules in surrounding states and discussions with the Commission's legal counsel, it was changed to a theft in excess of \$500, which equates to a serious or aggravated misdemeanor in Iowa and surrounding states. Mr. Ketterer recommended approval.

Hearing no comments or questions for Mr. Ketterer, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the rules for final adoption as submitted. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 08-52)

Chair Cutler moved to the request for approval of the acquisition of Penn National Gaming, Inc. (PNG) by Centerbridge Capital Partners PNG-B, L.P. (Centerbridge) and Fortress Investment Group LLC (FIG). Mr. Ketterer noted that Thomas Auriemma, Vice President and Chief Compliance Officer, from PNG was present. He stated that in an earlier conversation with Mr. Auriemma, Mr. Auriemma confirmed the information received in Executive Session.

Mr. Auriemma noted that he and representatives of Centerbridge and FIG gave a presentation concerning the proposed acquisition at the April Commission meeting. He advised that the Mississippi Gaming Commission approved the transaction on that same day, the West Virginia Racing Commission gave their approval approximately two weeks ago, and the Pennsylvania Gaming Control Board has also given their approval. Should IRGC approve the transaction today, Centerbridge and FIG will have received approximately 80% of the necessary approvals.

Commissioner Seyfer asked about the financing of the acquisition. Mr. Auriemma stated that financing is a matter between Centerbridge, FIG and the lenders; that PNG has not been involved in those discussions.

Commissioner Seyfer asked when the acquisition was to close. Mr. Auriemma advised that the contract expires on June 15<sup>th</sup>; however, the contract allows for a four-month extension if all of the regulatory approvals have not been obtained by that date. At this time, it is not possible to obtain all of the necessary approvals by the 15<sup>th</sup>. Mr. Auriemma stated that under the contract, the closing date would be extended four months.

Commissioner Seyfer stated that during the Executive Session, issues were raised concerning the financing and the amount of debt. He indicated the Commission, should the transaction go through, would like to see a commitment to capital improvements, and that the facility would continue to operate in the manner in which it should be. Mr. Auriemma stated that the transaction would not have a negative effect on the operation in Sioux City, state and local governments or the non-profit organization. He indicated that everyone is expected to remain in their current positions. He stated the transition should be seamless.

Hearing no further comments or questions, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the acquisition of PNG by Centerbridge and FIG. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 08-53)

Chair Cutler moved to the next agenda item - Herbst Gaming, Inc. seeking approval of an assignment and restated preferred ship mortgage. Jim Quilty, legal counsel, advised the Commission that the agreement before them does not contain any substantive changes to the operation. The document simply assigns the mortgage on the USS Osceola from Bank of America to Wilmington Trust Company, the new primary lender and primary administrator for Herbst.

Hearing no comments or questions for Mr. Quilty, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the assignment and restated preferred ship mortgage for Herbst Gaming, Inc. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-54)

Mr. Quilty asked the Commission's approval to proceed with the contract approval for Lakeside Casino. Upon receiving approval, Mr. Quilty presented a contract with Asphalt Maintenance & Construction, Inc. for repairs and maintenance of the parking lot, service road, and dock area. He stated that the actual contract comes in just under \$100,000, but the contract was submitted in the event of overruns.

Hearing no comments or questions for Mr. Quilty, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the contract as submitted by Lakeside.

Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 08-55)

Chair Cutler moved to contract approvals, and called on Ameristar Casino. Matthew Block, Corporate Director of Government Affairs, presented a contract with Council Bluffs Hotel Association, LLC, which represents a name change for a previously approved vendor, Holiday Inn & Suites.

Hearing no comments or questions for Mr. Block, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the contract as submitted by Ameristar. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 08-56)

As legal representation for Harrah's had not yet arrived, Chair Cutler called on Riverside Casino & Golf Resort (RCGR). Joe Massa, General Manager, presented a contract with Baxter Construction Co., LLC for construction of the golf performance building, fencing and restrooms.

Hearing no comments or questions for Mr. Massa, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contract as submitted by RCGR. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-57)

Chair Cutler called on Rhythm City. Barron Fuller, General Manager for Isle of Capri Marquette, presented the following contracts on behalf of Rhythm City:

- Concentra – Provides On-Site Health Care and Rehabilitation Services for Employees
- Concentra – Provides Health Services for Employees and their Families

Hearing no comments or questions for Mr. Fuller concerning the contracts, Chair Cutler requested a motion. Commissioner Urban moved to approve the contracts as submitted by Rhythm City. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-58)

Chair Cutler called on IOC Bettendorf (IOCB). Mr. Fuller presented the following contracts on behalf of IOCB:

- Concentra – Provides On-Site Health Care and Rehabilitation Services for Employees
- Concentra – Provides Health Services for Employees and their Families
- Hunter Amenities – Provides Hotel Amenities

Hearing no comments or questions for Mr. Fuller regarding the contracts, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contracts as submitted by IOCB. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 08-59)

Chair Cutler called on The Isle Casino and Hotel Waterloo (The Isle). Bari Richter, General Manager, took a few minutes to introduce herself to the Commission as she is new to the Waterloo property. She stated that she got her start in gaming in Iowa in 1991 when the first riverboats opened. Ms. Richter presented a contract with Halvorson Trane for HVAC service and maintenance for Commission approval.

Hearing no comments or questions concerning the contract, Chair Cutler requested a motion. Commissioner Urban moved to approve the contracts as submitted by The Isle. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 08-60)

Chair Cutler called on WRE. Mr. Timmons presented the following contracts for Commission approval:

- Aristocrat Gaming – Six Replacement Slot Machines
- IGT – Six Replacement Slot Machines
- Konami Gaming, Inc. – Six Replacement Slot Machines
- WMS Gaming – Six Replacement Slot Machines

Hearing no comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Urban moved to approve the contracts as submitted by WRE. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-61)

Chair Cutler called on Diamond Jo (DJ). Todd Moyer, General Manager, presented the following contracts for Commission approval:

- Agilysis – Point of Sales System
- Baker Communications – Purchase and Installation of New Phone System
- Gladstone Industries – Custom-designed Cast Bronze Door Handles for New Casino/Entertainment Facility
- Progressive Gaming International Corp. – Table Tracking System
- Reliable Technologies – Computer Network Hardware, Software and Consulting
- TCS John Huxley – Gaming Equipment
- Vital Support Systems – Server and Computer Equipment for New Casino/Entertainment Facility
- Young Electric Sign Company (YESCO) – Custom Designed Slot Signage

Commissioner Hamilton asked for an explanation of the table tracking system. Mr. Moyer explained that there is a computer screen at each table game, similar to a players' tracking card, but this system provides more accurate information concerning table game play.

Hearing no further comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the contracts as submitted by DJ. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 08-62)

Chair Cutler called on Diamond Jo Worth (DJW). Jonathan Swain, Chief Operating Officer for Peninsula Gaming, presented the following contracts for Commission approval:

- Hawkeye Food Service – Food and Paper Supplies
- Ron's LP – LP Service
- Xenia Rural Water District – Asset Purchase Agreement

Mr. Swain stated that the contract with Xenia is for the transfer of ownership of the wastewater treatment facility that DJW constructed as none was available at the time the facility was built. About a year ago, Xenia approached DJW about purchasing the facilities from them. Xenia will make substantial improvements to the facilities, which will allow additional users to hook into the treatment plant, and provide development opportunities around the casino.

Hearing no further comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contracts as submitted by DJW. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 08-63)

Chair Cutler called on Mississippi Belle II/Wild Rose Clinton (MBII/WRC). Mr. Timmons presented the following contracts for Commission approval:

- ITC Communication – Purchase/Installation of Telephone and Voice Mail Systems for Facility and Hospitality
- Konami Gaming, Inc. – Purchase of 30 Slot Machines
- Shuffle Master, Inc. – Purchase of 1 Pai Gow Poker Game
- Quest Entertainment, Inc. – Purchase of 10 Slot Machines
- Encore – Purchase of Functional Mirrors, Decorative Mirrors, and Artwork for New Facility

Mr. Timmons advised that a soft opening of the new facility was originally planned for June 20<sup>th</sup>; however, that has been pushed back a week to June 27<sup>th</sup>. The current facility will close the afternoon of June 22<sup>nd</sup>. The boat will move down the Mississippi to a dock approximately one mile south of the new facility in order to move the rest of the

machines off the boat into the facility on Monday. Once the machines are set, WRC and IRGC staff will work to perform the necessary testing of the machines prior to putting them into operation. A grand opening is planned for July 18<sup>th</sup> and 19<sup>th</sup>.

Hearing no comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Urban moved to approve the contracts as submitted by MBII/WRC. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-64)

Chair Cutler called on Horseshoe Casino/Bluffs Run Greyhound Park (Horseshoe). Lorraine May, legal counsel, presented the following contracts for Commission approval:

- AVI Systems – Audio/Video Abilities in new Whiskey Pit
- Heart Amalgamated Inc. f/s/o Heart – Heart Concert Performance at Mid America Center
- Nomota, Inc. – Journey Concert Performance at Mid America Center
- Police Productions – Booking Agent for Concert Events
- Simulcast Services, LLC – Horse and/or greyhound racing simulcast for import and export signals
- VIP Limousine – Limousine and Bus Transportation for VIP Guests

Ms. May advised that VIP Limousine now has an Iowa address.

Commissioner Urban asked if the contract with Police Productions included the concerts. Ms. May answered in the affirmative. Commissioner Urban then referred to the contract with Nomota, Inc., and noted that it specifically referenced performances. Ms. May advised that was due to the fact that Horseshoe is hosting several different concerts at Stir Cove, as well as sponsoring concerts at the Mid America Center.

Hearing no further comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the contracts as submitted by Horseshoe. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 08-65)

Ms. May then presented the following contracts for Harrah's:

- D&B Construction, Inc. – Possible Construction Work
- Vidiots Tours, Inc. – Stir Concert Cove Performance

Hearing no comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Urban moved to approve the contracts as submitted by Harrah's. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-66)

Chair Cutler called on Dubuque Greyhound Park & Casino (DGP&C). Jesús Avilés, General Manager, presented a contract with the International Association of Machinists for a labor agreement for the casino for Commission approval.

Hearing no comments or questions concerning the contract, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contract as submitted by DGP&C. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-67)

Chair Cutler called on Prairie Meadows Racetrack & Casino (PMR&C). Gary Palmer, General Manager, advised that Ray Sears, Director of Logistics and Purchasing, was present today to address the third item listed under PMR&C. Mr. Palmer presented the following contracts for Commission approval:

- Computerized Valet Parking Systems, Inc. – Computerized Valet Parking System
- Kahler & Company Specialties – Promotional Merchandise

Hearing no comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the contracts as submitted by PMR&C. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 08-68)

Chair Cutler moved to the next item under PMR&C – a report on their contract award process. Mr. Ketterer advised that this item was placed on the agenda as a result of questions raised by Commission members regarding contracts submitted in April for \$750,000 of concrete services with two different contractors. He indicated questions were raised as to the bid process. The response provided by PMR&C was that the two companies would be providing the services. The question was then raised as to how these two companies were selected to be the only ones submitting bids.

Mr. Sears advised that Nuckolls Concrete Services and Home Boy Enterprises, Ltd. are medium-sized concrete companies, and the proposed projects are medium-sized. He stated there are four projects included in the budget, some of which they hoped to complete this spring prior to the live meet; however the weather did not cooperate. Therefore, the projects will be completed after the live race meet but before winter. Mr. Sears stated that these two companies have performed work for PMR&C in the past; PMR&C found them to be competent, capable of providing the needed services, and easy to work with. He informed the Commission that PMR&C does not go through a formal bid process that is open to all contractors; PMR&C selects the contractors they choose to do business with. Mr. Sears stated that if other contractors are interested in performing the services, they simply need to contact the facility. PMR&C representatives would discuss the project with them, and if PMR&C found the company qualified to perform the services, they would be allowed to submit a bid as well. Mr. Sears noted that the two companies are local, and that utilization of local vendors is of extreme importance.



Commissioner Urban stated that PMR&C is unique and does not face some of the same issues faced by other facilities; they are a tenant of Polk County. She noted that the County puts capital improvement projects out for bid. She asked if PMR&C needed to follow the same requirements as they are making capital improvements to a county-owned facility. Mr. Sears stated that PMR&C has been advised by legal counsel that as a private non-profit corporation they are not required to follow the open public meeting policies of county government. Commissioner Urban stated that she could understand that if PMR&C were purchasing gaming tables or equipment for the building, but questioned improvements to the facility itself, which is owned by the county. She wondered if that would not be handled differently when PMR&C is talking about opening a \$1,000,000 contract for bids. Mr. Sears answered in the negative. He noted that the concrete services would be small independent transactions; the companies will be in and out, with the work completed in a matter of months. PMR&C has skilled project management individuals on staff that will receive the quotes and subsequently issue a purchase order for the projects.

Commissioner Urban stated that the \$1,000,000 amount is relative – to some that is a substantial amount of concrete. Mr. Sears stated the amount submitted by PMR&C is for authorization to do business with the two companies up to \$750,000. He indicated it is conceivable PMR&C may not do any business with one of the concrete companies; however, IRGC rules require that the authorization be submitted if certain criteria are met. Commissioner Urban asked if the amount PMR&C is paying to the companies for each cubic yard is available to the public. Mr. Sears answered in the negative, stating that PMR&C does not publish bid specifications, nor do they follow a formal bidding process. He indicated that project management staff will contact company representatives, give them a tour to show them what work is to be done, and then the contractors will submit proposals to PMR&C, which will be evaluated and a selection made.

Chair Cutler asked Mr. Sears if PMR&C had a written opinion from legal counsel concerning the bidding process. Mr. Sears answered in the negative. Chair Cutler requested one prior to the next meeting. Chair Cutler stated that it should be apparent to PMR&C that the Commission is concerned about the fact there is no actual bid process in place; that PMR&C simply selected two vendors to perform the necessary work. She indicated it is not a process the Commission envisions the facilities following when soliciting bids. Mr. Sears stated that in their world, PMR&C is receiving quotes. He stated that he has worked in the public sector and is aware of what the open bidding process is, and the connotation that everyone can bid on the projects, which is a requirement of government. It is not a requirement for PMR&C as a private non-profit organization. He stated that PMR&C has the ability to “pre-qualify” businesses who perform work for them.

Commissioner Urban asked if there was any wording in PMR&C’s lease with Polk County that would suggest any other process or actions. Mr. Palmer answered in the negative. He stated that any improvement over \$100,000 have to be approved by the

county. Commissioner Urban asked if the county would have approved this contract. Mr. Palmer advised that any one contract over \$100,000 would have to be approved. Chair Cutler again asked if the county had approved these two contracts. Mr. Palmer reiterated his previous response. Chair Cutler asked if the work performed under these contracts was going to be piece-mealed in order to avoid the requirement that they be approved by the county. Mr. Sears answered in the negative. He stated that four projects had been budgeted for the current budget year – one in excess of \$200,000 for a road replacement on the back side; the others are for \$30,000, \$25,000 and \$35,000. Mr. Sears stated there was no attempt on PMR&C's part to circumvent the county's rules. He stated it was his belief that the county only approved the project, not the contracts necessary to complete the project.

Mr. Palmer stated that PMR&C would have Tom Flynn, legal counsel, prepare an opinion concerning the bidding and/or quote process, as well as have him present at the July Commission meeting to further address this issue.

Hearing no further comments or questions concerning this issue, Chair Cutler moved to PMR&C's report on the analysis and evaluation of the racing program at the management retreat held in mid-May. Mr. Palmer advised that the PMR&C Board held a retreat on May 17<sup>th</sup> to cover the following subjects: 1) Horse racing at PMR&C and its future; 2) Hotel and parking ramp, and 3) Human Resources – Staff Compensation, etc. During the meeting, Jack Bishop, Chairman, appointed Tom Whitney, Lynette Rasmussen, Jack Peters and Don Brown to spearhead a committee to determine where PMR&C is going with racing, how they are doing, what is PMR&C's philosophy, and what is the future of racing at PMR&C going to be. Mr. Palmer read excerpts from the minutes of the retreat:

- Horse Committee: Do an in-depth study on what we want horse racing to be at PMR&C and make it a destination point.
- Develop a Horse Committee that reports to the Board and is more viable to the average board member, and
- Look at the true economic value based on horse racing and economic impact to the whole state.

Mr. Palmer stated that one of the thought processes with the statement is the recruitment of horses, owners, jockeys, the number of days of racing, what kind of racing, how many breeds will race at PMR&C, the necessity of a turf track, continued research on an artificial surface, and marketing opportunities. He noted the committee has not met since May 17<sup>th</sup>, and he does not know at this time when the next meeting is scheduled. Mr. Palmer indicated he felt the committee would deal with these issues immediately; possibly bringing in a consultant to help with the process.

Mr. Ketterer thanked Mr. Palmer for the update. He noted that in response to questions posed last November, the Board submitted a letter in January that stated similar things; then pursuant to the Commission's request for an update in March, the PMR&C Board decided in April to hold this management retreat. Now, a committee has been named to

explore these issues. He asked about the timetable for submitting a report to the full PMR&C Board. Mr. Palmer stated that he would have to guess as he was not present when these discussions took place; however, he feels it will be sooner rather than later as negotiations with the three breeds for the 2009 live meet are fast approaching and staff needs to know what they are going to negotiate. He stated that he believes the issues before this committee are on a fast track, as they should be. Committee members are aware of some urgency on PMR&C's part for a report.

Mr. Ketterer advised that IRGC could be added to the list of those wanting a report sooner rather than later. He stated that the Commission is not necessarily trying to push PMR&C in any different direction, other than forward. Mr. Ketterer stated that he felt the issues should be a priority for the Board, particularly if PMR&C is losing anywhere from \$20 -\$29 million on racing, and are required by law to spend \$18 million on purses, which are a form of entertainment in order to draw patrons to the facility. Mr. Ketterer stated that he and the Commissioners look forward to hearing the response.

Mr. Priebe asked to address the Commission on this issue. Mr. Priebe confirmed that he and Senator Kinley did handle the pari-mutuel legislation. He stated that the state has a different outlook when it comes to horseracing, and his belief that the \$29 million figure is fictitious. Mr. Priebe stated that horse racing is not just a PMR&C business; it is an Iowa business, which is what the Legislature intended. Commenting on the report which provided the above revenue loss, Mr. Priebe noted that it indicated there were 3,200 people involved with the horse racing business in Iowa. Even if that figure were reduced to 1,200 people, and if they had families, there would be an impact on families, teachers, farmers, implement dealers, administrators, etc. He stated horse racing is a big business in Iowa; and believes that PMR&C has done a good job. He stated this issue is not just about Des Moines. Mr. Priebe stated the \$29 million figure is misleading, as the following expenses will be in place whether there is racing or not at PMR&C: \$16 million for rent, and administration, along with other fixed expenses. He stated that he did not think Polk County would reduce the amount of rent PMR&C pays if racing is removed the PMR&C facility. Mr. Priebe noted that with the high cost of energy there will be several individuals who will have problems paying their fuel bills, etc, and there is not one other place where they can take their family and watch the races without charge. He noted that most children like horses.

Commissioner Hamilton stated that she had read that the horsemen are going to have an economic study done. Mr. Palmer answered in the affirmative, indicating they have hired Dr. Richard Thalheimer. Commissioner Hamilton asked when the study would be completed. Mr. Palmer indicated that he had not heard a completion date.

Chair Cutler moved to the hearing for Diamond Jo Worth (DJW) for a violation of Iowa Code Section 99F.9(5) (Wagering – age restriction). Mr. Ketterer advised that IRGC staff and the facility had entered into a Stipulated Agreement. Diamond Jo Worth allowed an underage female to gain access to the gaming floor without being asked or requested to produce identification. The individual was on the gaming floor in excess of

one hour and played several slot machines. The requisite criteria for this violation to come before the Commission were met. Mr. Ketterer stated that DJW has acknowledged the violation did occur and agrees to a \$20,000 administrative penalty. He recommended approval of the Stipulated Agreement.

Hearing no comments or questions for Mr. Ketterer concerning the Stipulated Agreement, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the Stipulated Agreement as presented. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 08-69)

Chair Cutler moved to Administrative Business, with the first item being the notice for Requests for Proposals for the Greyhound Promotion Fund for Fiscal Year 2009.

Prior to addressing the Greyhound Promotion Fund, Mr. Ketterer advised that the International Masters of Gaming Law, of which he is a member, is going to co-sponsor a Gaming Law Symposium on September 12<sup>th</sup> with the Drake University Law School. He indicated that he would provide additional information once he learns the names of the authors that will be writing the articles. He stated that the Drake Law Review would more than likely be the publisher. Mr. Ketterer stated that these Symposiums have been given before at law schools at UNLV, John Marshall Law School in Chicago, and the University of Mississippi Law School.

With regard to the Greyhound Promotion Fund, Mr. Ketterer stated the Commission would be accepting proposals for the fund until close of business on June 30, 2008. The notice will be posted on the Commission's web site.

Mr. Ketterer moved to the next item under Administrative Business, the Gambling Setoff Legislation, which was passed by the Legislature this year. This legislation requires the licensees to check those individuals winning \$10,000 or more against a database of individuals who owe the state money for delinquent child support, court debt, taxes, etc., and withhold the winnings, either partially or in their entirety, depending on how much is owed the State. Mr. Ketterer stated it is his understanding that the State is not up to speed as far as establishing the website that would be available to the licensees. He stated the Commission would be responsible for insuring that the licensees are complying with the legislation by establishing a process.

Mr. Ketterer then moved to regulatory fees for Fiscal Year 2009. He indicated IRGC staff has calculated the fees, noting that DCI costs were not available when the fees were calculated. He stated that DCI's appropriation was fairly close to what it was last year, so those are the figures that were used in these calculations. Mr. Ketterer advised that once DCI's numbers were received, there could be some tweaking of the numbers. He stated that the licensees had received notice of the fees by e-mail, and that he had additional copies available as well. He asked the Commission for approval of the proposed regulatory fees so the fees could start being collected at the beginning of the fiscal year

on June 30<sup>th</sup>, with the understanding that the numbers could change slightly. He indicated a report on the finalized fees would be given at the July Commission meeting.

Hearing no comments concerning the proposed regulatory fees, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the regulatory fees as presented. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-70)

Chair Cutler moved to the approval of the Request for Proposals (RFP) for the Study on Additional Casino Markets. Commissioner Seyfer stated that following the April meeting, he and Commissioner Hamilton were appointed as the committee to work with the staff on the RFP for the study on additional casino markets. He noted that the majority of the information contained in the RFP is standard in order to meet state requirements, but does incorporate areas previously discussed during the last two Commission meetings. Commissioner Seyfer noted input was received from third parties, and applicable information was included; however, much of the information was more suitable for information to be contained in a license application rather than an RFP. Commissioner Seyfer stated that he felt the RFP was ready to go, and asked about timing. Mr. Ketterer advised that the RFP would be posted on the Commission's website on Friday or no later than Monday, June 9<sup>th</sup>. Questions pertaining to the RFP will be accepted until July 1<sup>st</sup>, and the Commission has until July 15<sup>th</sup> to respond. Proposals are due in the Commission's office by August 15, 2008.

Chair Cutler stated that based on the time frame set forth in the RFP, the Commission expects to have a final report by July 1, 2009. Mr. Ketterer indicated the date was tentative, as the committee and staff were attempting to give potential respondents an idea of the timeframe. He indicated the dates could change during the process. Chair Cutler noted that each Commission member had had an opportunity to review a copy.

Hearing no comments or questions for Mr. Ketterer, Chair Cutler requested a motion concerning the RFP. Commissioner Seyfer moved to approve the RFP for a Study of Additional Casino Markets as submitted. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 08-71)

As there was no Public Comment, Chair Cutler thanked Emmetsburg for their hospitality and requested a motion to adjourn. Commissioner Urban so moved. Commissioner Hamilton seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

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JULIE D. HERRICK